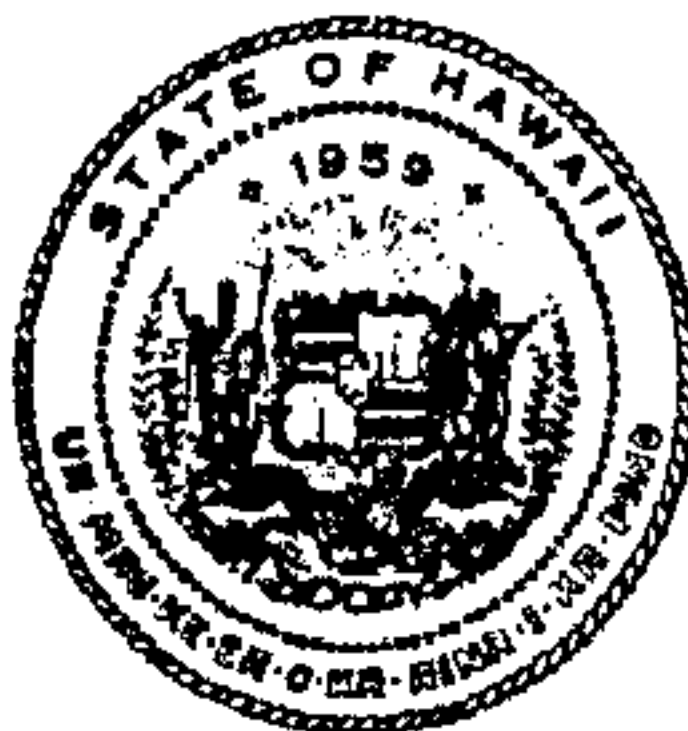


BENJAMIN J. CAYETANO



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**

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RAYMOND H. SATO
COMPTROLLER

MARY ALICE EVANS
DEPUTY COMPTROLLER

JAN 11 2001

COMPTROLLER'S MEMORANDUM NO. 2001-04

TO: Heads of Departments
ATTN: Fiscal Offices
SUBJECT: Federal Per Diem Rates (CONUS)

In Revenue Procedure 2000-39, the Internal Revenue Service has superceded the federal per diem rates established by Revenue Procedure 2000-9 for travel within the continental United States (CONUS). These standard rates affect the computation of the taxable portion of per diem allowances paid to State of Hawaii officers and employees. The information in this memorandum therefore needs to be forwarded to the offices in your department responsible for the computation and reporting of the taxable portion of per diem allowances for payroll tax withholding purposes.

The following rates are to be used for computing, under the high-low substantiation method, the taxable portion of per diem for CONUS travel expenses paid or incurred on or after January 1, 2001.

	<u>High-Cost Locality</u>	<u>Low-Cost Locality</u>
Lodging	\$159	\$ 90
Meals and Incidental Expenses	<u>42</u>	<u>34</u>
Total federal rates	<u>\$201</u>	<u>\$124</u>

Revenue Procedure 2000-39 has also made some changes in the locations identified in the high-cost category. Attached is an updated listing of the high-cost localities; all other CONUS localities are considered low-cost localities under the high-low substantiation method.


RAYMOND H. SATO
State Comptroller

Attachment

by an employee for travel away from home and the payor uses the high-low substantiation method described in this section 5 for travel within CONUS, the amount of the expenses that is deemed substantiated for each calendar day is equal only substantiation method provided in section 4.02 or 4.03 of this revenue procedure.

.02 *Specific high-low rates.* Except as provided in section 5.06 of this revenue procedure, the *per diem* rate set forth in this section 5.02 is \$201 for travel to any

“high-cost locality” specified in section 5.03 of this revenue procedure, or \$124 for travel to any other locality within CONUS. Whichever *per diem* rate applies, it is applied as if it were the federal *per diem* rate for the locality of travel. For purposes of applying the high-low substantiation method and the § 274(n) limitation on meal expenses (see section 6.05 of this revenue procedure), the federal M&IE rate shall be treated as \$42 for a high-cost locality and \$34 for any other locality within CONUS.

.03 *High-cost localities.* The following localities have a federal *per diem* rate of \$163 or more, and are high-cost localities for all of the calendar year or the portion of the calendar year specified in parenthesis under the key city name, except as provided in section 5.06 of this revenue procedure:

Key city	County or other defined location
California	
Palm Springs (January 1-May 31)	Riverside
San Francisco	San Francisco
Sunnyvale/Palo Alto/San Jose	Santa Clara
Tahoe City	Placer
Colorado	
Aspen (January 1-April 30)	Pitkin
Silverthorne/Keystone	Summit
Telluride (January 1-March 31)	San Miguel
Vail (July 1-March 31)	Eagle
District of Columbia	
Washington, D.C.	Washington, D.C.; the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington, Fairfax, and Loudoun, in Virginia; and the counties of Montgomery and Prince George's in Maryland
Florida	
Key West (January 1-April 30)	Monroe
Idaho	
Sun Valley	City limits of Sun Valley
Illinois	
Chicago	Cook and Lake
Louisiana	
New Orleans/St. Bernard (January 1-May 31)	Orleans, St. Bernard, Plaquemine, and Jefferson Parishes
Maryland	
(For the counties of Montgomery and Prince George's, see District of Columbia)	
Ocean City (June 15-October 31)	Worcester
Massachusetts	
Boston	Suffolk
Cambridge	Middlesex County (except Lowell)
Martha's Vineyard (June 1-October 15)	Dukes

Michigan
Mackinac Island
Traverse City
(June 1-September 30)

Montana
Big Sky
(November 1-April 30)

New Jersey
Cape May
(June 1-November 30)
Ocean City
(June 15-September 15)
Piscataway/Belle Mead
Princeton/Trenton

New York
The Bronx/Brooklyn/Queens

Manhattan
Nassau County/Great Neck
Suffolk County
White Plains

Pennsylvania
Hershey
(June 1-September 15)
Philadelphia

Utah
Park City
(December 15-March 31)

Virginia
(For the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington, Fairfax, and Loudoun, see District of Columbia)
Wintergreen

Mackinac
Grand Traverse

Gallatin (except West Yellowstone Park)

Cape May (except Ocean City)

City limits of Ocean City

Somerset and Middlesex
Mercer County

The boroughs of The Bronx, Brooklyn, and Queens

Manhattan
Nassau County
Suffolk County
City limits of White Plains

City limits of Hershey

Philadelphia

Summit

Nelson

.04 *Changes in high-cost localities.*
The list of high-cost localities in section 5.03 of this revenue procedure differs from the list of high-cost localities in section 5.03 of Rev. Proc. 2000-9.

(1) The following localities (listed by key cities) have been added to the list of high-cost localities: Palm Springs, California; New Orleans/St. Bernard, Louisiana; Traverse City, Michigan; Trenton, New Jersey; and Wintergreen, Virginia.

(2) The portion of the year for which the following are high-cost localities (listed by key cities) has been changed: Aspen, Colorado; Telluride, Colorado; Vail, Colorado; Key West, Florida; Sun Valley, Idaho; Ocean City, Maryland; Martha's Vineyard, Massachusetts; Big Sky, Montana; Cape May, New Jersey; and Park City, Utah.

(3) The following localities (generally listed by key cities) have been removed

from the list of high-cost localities: Charlevoix, Michigan, and Union County, New Jersey.